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中國國際海運集裝箱（集團）股份有限公司

CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2039)

**OVERSEAS REGULATORY ANNOUNCEMENT
ANNOUNCEMENT ON CAPITAL INCREASE AND INTRODUCING THE
STRATEGIC INVESTOR TO A NON-WHOLLY-OWNED SUBSIDIARY, CIMC
SKYSPACE**

This announcement is published by China International Marine Containers (Group) Co., Ltd. (the “**Company**” or together with its subsidiaries collectively the “**Group**”) in the Mainland of China pursuant to the provisions of The Rules Governing the Listing of Stocks on The Shenzhen Stock Exchange and is made simultaneously in Hong Kong pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

I. SUMMARY

1. The Company intends to introduce strategic investors with industrial synergies and strong market influences to its industrial city development business, so as to improve the integrated development capability and realize the sustainable development of its industrial city development business.

Accordingly, Shenzhen CIMC Skyspace Real Estate Development Co., Ltd.* (深圳市中集產城發展集團有限公司) (“**CIMC Skyspace**”, a non-wholly-owned subsidiary of the Company in which the Company has a 82% shareholding as at the date of this announcement through its wholly-owned subsidiary CIMC Shenfa Development Co., Ltd.* (中集申發建設實業有限公司) (“**CIMC Shenfa**”)) intends to introduce Country Garden Real Estate Group Co., Ltd* (碧桂園地產集團有限公司) (“**CGRE**”) as a strategic investor by the way of capital increase (the “**Capital Increase**” or the “**Transaction**”). CGRE will hold a 25% shareholding in CIMC Skyspace upon the Capital Increase. CIMC Shenfa has waived its preferential subscription right for CIMC Skyspace in the Capital Increase (the “**Waiver**”).

2. The eighth session of the board (the “**Board**”) of the directors (the “**Directors**”) of the Company passed the Resolution on the Approval for Introducing the Strategic Investor to CIMC Skyspace (《關於同意中集產城引進戰略投資者的決議》) (the “**Resolution**”), approving CIMC Skyspace to introduce the strategic investor and relevant plans and terms and CIMC Shenfa to waive its preferential subscription right, at the seventh meeting for 2017 on 14 July 2017. Independent directors issued their independent opinions.

3. On 17 July 2017, the *Agreement on the Capital Increase of Shenzhen CIMC Skyspace Real Estate Development Co., Ltd.* (the “**Capital Increase Agreement**” or the “**Agreement**”) was entered into among CIMC Shenfa, CIMC Skyspace, Shenzhen Oriental Tianyu Investment Development Co. Ltd* (深圳市東方天宇投資發展有限公司)(“**Oriental Tianyu**”), Chang’an International Trust Co., Ltd.* (長安國際信託股份有限公司) (the “**Chang’an Trust**”, together with CIMC Shenfa and Oriental Tianyu, the “**Original Shareholders**”) and CGRE, pursuant to which, CGRE will inject RMB926,322,300 for the capital increase of CIMC Skyspace, resulting in a 25% shareholding in CIMC Skyspace upon the Capital Increase, and the Original Shareholders will approve the waiver of the preferential subscription right.
4. The Capital Increase and the Waiver do not constitute connected transactions for the Company and material asset restructuring pursuant to the Measures for the *Administration of the Material Asset Restructurings of Listed Companies* (《上市公司重大資產重組管理辦法》) and do not need to be submitted for consideration at the general meeting of the Company.

II. SUBJECT OF THE CAPITAL INCREASE – BASIC BACKGROUND OF CIMC SKYSPACE

1. Basic Background of CIMC Skyspace

Company Name:	Shenzhen CIMC Skyspace Real Estate Development Co., Ltd.
Company Type:	Company with limited liability
Foundation Date:	24 November 1998
Legal Representative:	Mr. MAI Boliang
Unified Social Credit Code:	914403007084645051
Registrar:	21F China Merchants Plaza 1166, Wanghai Road, Shekou, Nanshan District, Shenzhen, Guangdong Province, China
Registered Capital:	RMB254,634,066
Main Business:	Engaging in real estate development and management within the scope of legally obtained land use right.
Shareholding Structure:	As at the date of this announcement, CIMC Shenfa, a wholly-owned subsidiary of the Group, holds a 82% shareholding in CIMC Skyspace, Oriental Tianyu holds a 10% shareholding in CIMC Skyspace and Chang’an Trust holds an 8% shareholding in CIMC Skyspace.

As at the date of this announcement, CIMC is an indirect non-wholly-owned subsidiary of the Company.

2. Major Consolidated Financial Information of CIMC Skyspace

Unit: RMB

	2014	2015	2016	January-May 2017
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Operating revenue	1,136,069,546	1,228,078,469	722,952,694	131,614,130
Profit before taxation	240,940,873	188,554,489	205,258,094	146,176
Net profit	<u>170,329,274</u>	<u>136,772,279</u>	<u>168,834,440</u>	<u>-4,858,435</u>
	As at	As at	As at	As at
	31 December 2014	31 December 2015	31 December 2016	31 May 2017
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Total assets	4,050,135,998	4,134,033,582	3,093,798,962	2,944,709,375
Total liabilities	2,992,490,317	2,824,116,702	1,661,875,315	1,522,422,866
Net assets attributable to the parent company	<u>999,296,479</u>	<u>1,128,963,261</u>	<u>1,241,644,502</u>	<u>1,236,070,934</u>

III. BASIC INFORMATION REGARDING THE STRATEGIC INVESTOR

Company:	Country Garden Real Estate Group Co., Ltd* (碧桂園地產集團有限公司)
Type of Company:	A company with limited liability
Date of Establishment:	20 April 2015
Legal Representative:	Mr. YANG Wen Jie
Unified Social Credit Code:	91440606338202486K
Registered Address:	Room 705, 7/F, Country Garden Center, 1 Country Garden Road, Beijiao Town, Shunde District, Foshan, Guangdong Province, China
Registered Capital:	RMB13,940,840,339

Main Business: Adopting a centralized and standardized business model, the business includes property development, construction, decoration, property management, property investment, hotel development and management etc.

Major Shareholders: Country Garden Holdings Company Limited (listed on Hong Kong Stock Exchange, stock code: 2007.HK), an indirect shareholding of 100%.

Key Financial Data: As of 31 December, 2016, the consolidated total assets and consolidated net assets of CGRE were RMB344.59 billion and RMB44.22 billion, respectively. Its consolidated operating income for 2016 was RMB88.96 billion, the consolidated profit after tax was RMB9.05 billion.

It has verified that CGRE is the indirect controlling shareholder with 80% shareholding in Zhenjiang CIMC Embellish Yu Real Estate Co., LTD, an associated company of the Company. Apart from this, there is no relationship between its substantial shareholders and the Company or the top ten shareholders of the Company in respect of property rights, business, assets, claims and debts, personnel or other matters, nor is there any other relationship which may or has already made the Company to favour their interests.

For the Capital Increase, CGRE contributed RMB926,322,300 to CIMC Skyspace. The source of fund is the own funds of CGRE or its associated companies.

IV. PRINCIPAL TERMS OF THE CAPITAL INCREASE

On 17 July 2017, the principal terms of the Capital Increase Agreement entered into by CIMC Shenfa, Oriental Tianyu, Chang'an Trust, CIMC Skyspace and CGRE (the “**parties**”) are as follows:

1. Means and purpose of the Transaction:

Through the Capital Increase of CIMC Skyspace by CGRE in order to achieve the strategic cooperation between the Original Shareholders and CGRE to improve and strengthen the position of CIMC Skyspace.

2. Scope of the Transaction:

The subject scope of the Transaction includes CIMC Skyspace, companies owned by CIMC Skyspace and the existing projects held by it.

3. Amount of the Capital Increase:

The amount of the Capital Increase for the Capital Increase payable by CGRE amounts to RMB926,322,300, of which RMB84,878,022 will be credited to the registered capital of CIMC Skyspace, and RMB841,444,278 will be credited to the capital reserve of CIMC Skyspace.

4. Pricing basis for the Capital Increase:

Zhong Rui International Assets Appraisal (Beijing) Limited (the “**Appraiser**”) qualified in appraising securities businesses and assets in the PRC has carried out valuation on all shareholders’ interest of CIMC Skyspace using the cost method (assets-based method). According to the valuation report issued by the Appraiser (Zhong Rui Ping Bao Zi No.[2017]000416) (the “**Assets Valuation Report**”), the appraised net asset value of CIMC Skyspace as of 31 December 2016 amounted to RMB2,852,090,000. The parties agreed that after deducting a small amount of special items or their distributed profits which were not included in the scope of the Capital Increase (“**Special Items**”), the total equity interest of the shareholders of CIMC Skyspace is RMB2.778967 billion. The amount of Capital Increase is determined with reference to the appraised value after friendly negotiation by the parties.

5. Payment of funds and schedule of the completion of equity transfer:

CGRE shall, within 5 business days after the signing date of the Agreement, make a payment equivalent to the amount (the amount shall be the own funds provided by CGRE or its associated companies) of the contribution into the joint control account opened in the designated bank in the name of CIMC Skyspace as joint control funds. Each of the shareholders of CIMC Skyspace should assist CIMC Skyspace to complete the industrial and commercial registration for the Capital Increase within 15 working days after the payment of the joint control funds has been made into the joint control account by CGRE. A one-off payment of Capital Increase shall be released and transferred from the joint control account to the account of CIMC Skyspace on the date of completion of the industrial and commercial registration.

6. Equity Lock:

Since the payment of the amount of Capital Increase has been made into the joint control account by CGRE, with respect to the equity of CIMC Skyspace held by CGRE and CIMC Shenfa, without the written consent of the two parties, CGRE and CIMC shall not: (1) transfer to any other third party; (2) create or allow any limitation on any lien, claim, pledge or any other third party interest or rights on the equity; (3) make any other act which causes or may cause any change in the shareholding.

7. Corporate governance:

After the completion of the Capital Increase, a board of directors to be set up by CIMC Skyspace will comprise nine members, of which five members will be appointed by CIMC Shenfa, three members will be appointed by CGRE and one member will be appointed by Oriental Tianyu, and a board of supervisors to be set up by CIMC Skyspace will comprise three members, who will be appointed by CIMC Shenfa, CGRE and Oriental Tianyu, respectively. Each of the parties agreed that after the completion of the Capital Increase, the financial statements of CIMC Skyspace should be consolidated by CIMC Shenfa.

8. The registered capital of CIMC Skyspace will change to RMB339,512,088 after the completion of the Capital Increase, its shareholding structure will be as follows:

Shareholders	Before the Capital Increase		After the Capital Increase		
	Shareholding Percentage	Amount of Contribution (RMB)	Shareholders	Shareholding Percentage	Amount of Contribution (RMB)
CIMC Shenfa	82.0%	208,799,934.12	CIMC Shenfa	61.5%	208,799,934.12
Oriental Tianyu	10.0%	25,463,406.60	CGRE	25.0%	84,878,022.00
Chang'an Trust	8.0%	20,370,725.28	Oriental Tianyu	7.5%	25,463,406.60
	–	–	Chang'an Trust	6.0%	20,370,725.28
Total	100.0%	254,634,066.00	Total	100.0%	339,512,088.00

9. Non-Competition:

After obtaining information on the project through the CIMC Skyspace, CGRE shall not carry out self-development or look for other partners via its own/related parties, or compete with CIMC Skyspace on the same project by ways including bidding through related parties of CGRE.

10. Applicable law, termination and liability for default:

The laws of the People's Republic of China shall apply to the effectiveness, changes, termination and the settlement of disputes of the Agreement. If the transaction can not be continued due to force majeure, changes in government policy, consensus of the parties, etc., the parties may release the Agreement by consensus. If the Agreement is released in compliance with statutory or agreed subjects, the defaulting party shall assume the liability for default according to the Agreement.

V. OPINIONS OF THE BOARD

1. Resolution considered at the Board meeting:

The seventh meeting for 2017 of the eighth session of the Board was held on 14 July, 2017. The Resolution regarding the introduction of the strategic investor by CIMC Skyspace and the related plans and terms thereof was considered and passed at the Board meeting. The Board also approved CIMC Skyspace to waive its preferential subscription right. The Board currently comprises eight Directors; eight Directors participated in the voting and the number of consent votes for the Resolution is 8.

2. Opinions of the Board:

The consideration for the Capital Increase is determined after arm's length negotiation among the parties with reference to the Assets Valuation Report and the adjustments for Special Items. The Board (including independent directors) of the Company is of the opinion that the pricing method of the equity interests for the Capital Increase is fair and reasonable and is in the interests of the Company and its Shareholders as a whole.

For the Capital Increase, if CIMC Shenfa does not waive its preferential subscription right while maintaining its 82% shareholding in CIMC Skyspace, it will be required to contribute an amount of RMB759,584,286 in cash based on the consideration for the Capital Increase. Taking into account the current stage of development, the valuation, the track record of CIMC Skyspace and the quality of the strategic investor introduced and other factors, the Board has agreed CIMC Shenfa to waive its preferential subscription right in respect of the share capital increase by CIMC Skyspace. Based on the understanding of the financial situation of CGRE, the Company believes that CGRE has the ability to complete the payment for the Capital Increase and fulfill the Agreement.

3. Opinions of independent Directors:

The independent Directors have reviewed and issued their independent opinions on the Resolution as follows: (1) The consideration and approval and voting procedures for the introduction of the strategic investor by CIMC Skyspace are carried out in accordance with the provisions of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (as revised in 2014), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of the Company and other relevant laws and regulations. (2) The introduction of the strategic investor by CIMC Skyspace has followed the principles of fairness, impartiality, voluntariness and integrity. The pricing method is in line with normal practices in the market, without prejudice to the interests of the Company and its shareholders, especially the minority shareholders, as a whole. (3) Approving CIMC Skyspace to introduce the strategic investor and the related plans and terms thereof. (4) Approving CIMC Skyspace to waive its preferential subscription right.

VI. PURPOSE OF THE CAPITAL INCREASE AND FINANCIAL IMPACTS ON THE COMPANY

1. The necessity and purpose of the Transaction:

The Capital Increase will help CIMC Skyspace to absorb and utilize the funds, talents and professional experiences of CGRE, an industry-leading enterprise to enhance the capital strength and business development capability of CIMC Skyspace, as well as to maximize value and convert the industrial city development business into a new impetus for the Group's earnings growth in the future by more effectively revitalizing and utilizing the existing land resources of the Group.

2. Financial Impacts on the Company

After the completion of Capital Increase, the Company will hold 61.5% shareholding in CIMC Skyspace through CIMC Shenfa and CIMC Skyspace will remain a non-wholly-owned subsidiary of the Company. The Capital Increase will not result in the Company's loss of control over CIMC Skyspace, has no material adverse effect on the financial positions and operating results of the Group, and would not damage the interests of the Company and its shareholders as a whole.

VII. DOCUMENTS AVAILABLE FOR INSPECTION

1. The Resolution approved by the Board.
2. The Opinions of the independent Directors.
3. The Capital Increase Agreement.
4. The Assets Valuation Report.

This announcement is available for reviewing on the website of the Company at <http://www.cimc.com> and the HKExnews website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk>.

By order of the Board
China International Marine Containers (Group) Co., Ltd.
YU Yuqun
Company Secretary

Hong Kong, 17 July 2017

As at the date of this announcement, the Board comprises Mr. WANG Hong (Chairman), Mr. WANG Yuhang (Vice-Chairman), Mr. WANG Zhixian and Mr. LIU Chong as non-executive Directors; Mr. MAI Boliang as executive Director; and Mr. PAN Chengwei, Mr. PAN Zhengqi and Mr. WONG Kwai Huen, Albert as independent non-executive Directors.

* *For identification only*